



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

TRANSPORTATION
LIBRARY

HE
1051
.B64

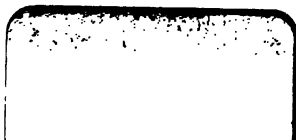
A 755,747

PROPERTY OF
*University of
Michigan
Libraries*

1817



ARTES SCIENTIA VERITAS



For Rent

Reprinted from the National Quarterly Review
for April, 1880.—Copyright.

(5)

POLITICO-RAILWAY

PROBLEMS AND THEORISTS

BY

G. R. BLANCHARD

NEW YORK

THOMPSON & MOREAU, PRINTERS, 31 & 53, MAIDEN LANE

1880



23-48

Transportation
Library
HE
1051
.B64

Politico-Railway Problems and Theorists.

THE mathematical, mechanical and financial phases of the American railway problem having been solved by the engineer and the locomotive, encouraged and supported by the capitalist, the more abstruse negative theorems determining the voluntary and legislative relations of the railways and the public to each other remain largely unsolved; nor can they by their very nature be determined by inflexible rules such as control the surveyor, the contractor and the banker. Yet this seems to be the endeavor of many of the transportation empiricists of the day, whose failure to appreciate the legislative as well as commercial impracticability and injustice of the rigid applications of mathematical laws to statutes regulating railway policy and rates only, while leaving every other compensation for corporate industry free, has caused much of the public prejudice in relation to the railway problem.

If politicians desire public applause, it can be gained never so easily or safely as by inconsiderate assaults upon corporations. If the industries of a locality, a State, or perhaps a nation lag, no accusation is so easy to make as that railway carriers disregard public needs; and the doctrinaire can reach notoriety most quickly by discussing causes which never before touched his calling or experience. To all such, and to the unthinking masses, the sovereign remedy for the disorders which they do much to induce, is inflexible legislation. They would deny to railways that reasonable elasticity of judgment common to the management of all other corporations, and most essential to prompt transportation conclusions, because transportation deals more or less directly with the interests of most business men.

Much of this public misconception has been incited and has escaped correction from the fact, that although the railways

represent the most important industrial and financial interest in the land, they have the scantiest literature, and have written little in self-defence.

Their silence has proceeded from various causes: the exceptionally rapid growth of the national railway system, which constantly modifies the conditions of the problem; the variety of public and railway relations; unequal and diverse rail, lake, river and canal competition; dissimilar and frequently antagonistic legislation by the various States; the absence of national enactments harmonizing State legislation; the magnitude of the problem in a country as vast in extent and activities as our own; and the incessant labor of railway officers—the men best qualified to write upon it because daily engaged in the solutions of its intricacies.

This latter opinion may invite question; but the leading railway managers are men who are constantly dealing with the intelligent iteration of the oral views and written statements of merchants, manufacturers, agriculturalists, mineral workers and lawyers in all parts of the country, as to the influences of railway rates and methods upon local or extended business development, rivalries and rights; until the thoughtful railway manager becomes the most universal merchant and publicist in trade. He possesses more opportunity and more knowledge in each field of trade, than those engaged directly in any such field can have touching the science and practice of railway administration.

This view seems proven by the mere suggestion that, in so vast a territory as ours, the transportation measures proposed in New York may differ in essential particulars from those required in Texas; the question in inland Ohio undeniably has many phases not common to sea-girt California; agricultural Kansas may ask conditions unlike those called for by manufacturing Rhode Island; and Pennsylvania, with its controlling mineral interests, might antagonize, as oppressive, laws that in cattle-grazing Wyoming might be most liberal. It is, therefore, the practice and duty of railway managers on all the through lines to rise above the artificial barriers of State boundaries and local interests, and apply themselves to the solution

of the carrying problem with comprehensive fairness. And it is but justice to them that they should be met with the same degree of liberality. In this broader and higher spirit, no railway officer should demur to any just public discussion that lifts the problem into this fairer issue and clearer light.

With the history of the steam engine and the railway, given in the article on the *The Railway Problem* in this number of the REVIEW, the legislative discussion has little concern. It may, however, be remarked, as an interesting fact, that iron rails were first used at Whitehaven, England, in 1738, and that Mr. Sterne is in error in stating that the first locomotive was tested on the Stockton and Darlington line, in 1821. Trevithick and Vivian patented a high-pressure locomotive in 1802, and built one for the Merthyr-Tydfil Welsh Railway in 1804, which worked well on levels and slight ascents. Another of different pattern was tried in 1811 on a coal railway near Leeds; and Stephenson constructed his own first locomotive in 1814.

These reminiscences are, however, mainly useful to contrast the public joy at the success of these first results—when they were doubtful, and when such rates were authorized and charged by the new railways as would appal the modern transporter—with not only the forgetting of these benefits, but with the inconsiderate attacks of the present day upon rail carriers; and this, too, although our railways have reduced the average transportation charges of the American public by rail far below those current in any country of the world, and lower in New York than in any State of our federation.

Nor can the review of the railway legislation of England be of great value in the United States, in view of the dissimilar conditions and enactments which exist even in different States of our own country, unless parities of fact, cause, effect, circumstance, need, governmental similarity and result, justify the like policies and laws, and their application to us; or unless, indeed, we may learn to avoid the errors, contradictory enactments, and repeals which have occurred in England, and by them be taught the wisdom of legislative

caution. That such parity does not exist may be read even by him who runs.

First.—All charters in England since the first one, given for the Wandsworth and Croydon line in 1801, are granted, regulated and enforced by one supreme Parliament, and convey nearly like and equal powers upon like conditions, varied only by local facts or the wider light diffused by time and experience. In the United States, charters have been granted by all the States upon conditions more various than their number, with the growth of experience and complications; or as party urgency, geographical rivalries, the parallelism of waterways, the laws permitting, limiting or preventing municipal, township or State contributions, encouraged or retarded them, and stimulated private jobbery, or stained or purified legislation.

Our general Government has also chartered and aided Pacific railways, which afford our only likeness to English governmental railway charters. It is also well to recall the large free donations of public lands to land-grant railways like the Illinois Central, and to note the fact that in such gifts our people did not restrict rates except upon the supplies and troops of the Government, yet those were concessions of undeniable public wisdom.

Although the transcontinental lines were built mainly by public monies or credit upon lands given by the people, which in a wider sense is eminent or national and free domain, their charters authorize, and those railways charge, higher rates than any lines built by private capital on rights of way paid for at high valuations under the much-prated power of eminent State domain; but the Credit Mobilier and the more recent and continual litigation as to the respective rights and powers of the Government and those corporations, do not encourage further congressional charters. Indeed, in England the items for so-called "parliamentary expenses" equal, in some instances, \$7,345 per mile, and on the Great Northern Railway \$16,000 per mile.

Here, then, is a primal and radical difference between one single conferring and enacting power, regulating all carriers

nearly alike over one entire and homogeneous jurisdiction—and more than forty States, besides the general Government, giving as many original grants, treating the internal improvements of neighboring States with jealousy as often as with coöperation, and giving varied decisions in their courts whenever railway charters or rights require legal determination. In a word, we have over forty governments as independent and powerful upon this subject within their several local jurisdictions as is Parliament over the whole soil of Great Britain; and the national solution of this great problem by the varying legislation of forty States is for that single reason forty times as difficult.

Second.—The United Kingdom, including its adjacent islands, contains 121,115 square miles, with about 17,500 miles of railway, and a population in 1871 of 31,817,108; while the area of the American Union is 3,026,494 square miles, with about 85,000 miles of railway, and a population in 1870 of 38,923,210, and now estimated at 45,000,000. Stated differently, Great Britain has one mile of main railway for every seven square miles of its territory, while the United States has one mile of railway to thirty-five square miles of country, or but one-fifth that of the British Isles.

This comparison farther proves that there are about 1,820 persons in England to each mile of railway; while in the United States there are but 530 persons to support each mile of its railways with their travel and traffic, or less than one-third as many.

It was argued vehemently by Mr. Sterne before the recent State railway investigation, that density of population, *i. e.*, large local business, giving greater volume per mile of travel and tonnage, justified the demand that both should be carried much cheaper than otherwise; and it would, therefore, be presumed that England had the lowest railway transportation rates extant. This brings us to

Third.—In 1877, the average cost per mile of the 74,112 miles of American railways then constructed was represented by a capital and funded debt averaging \$60,700 per mile; while in 1873, the railway capital of the United Kingdom paid

in was equal to \$180,000 per mile for its 16,082 miles of railway then in operation. It is, therefore, clear that the English public was expected and required to pay returns upon a railway capital about three times as great per mile as in the United States; notwithstanding their exceptionally compact and economical traffic conditions. That they did, in fact, pay much higher rates, brings us to our next point of wide dissimilarity:

Fourth.—In 1877, the 74,112 miles of the United States' railways received average gross revenues of \$6,380.94 per mile, and \$2,306.94 per mile net, while in the United Kingdom, its 16,082 miles earned in 1873 nearly \$18,000 per mile gross and \$8,400 per mile net; the net English railway receipts per mile being one third more than the gross receipts per mile in the United States, the English railways working their lines at an average of $52\frac{3}{10}$ per cent. of their receipts, because of their higher rates, while it cost $63\frac{85}{100}$ per cent. upon the far lower charges in the United States.

Fifth.—England has no foreign carriers within or near its borders by railway, river, or canal, competing with its own; and its maritime rights protect all its coast and border in a carrying monopoly of its own citizens. Any railway conditions and rates established by corporate compact or by parliamentary authority can therefore be, and are, maintained without extraneous interference.

The American Union is bordered on the north by foreign and rival soil, over and through which rival railway and water carriers compete with our trunk lines, which are the especial targets for legislative rifle practice, and those foreign transporters constantly seek to divert and carry American products away from our lines, not only upon carrying conditions absolutely free from our enactments, but also exempted even from the laws of its own parent government, which are held up to our imitative admiration. Does any one doubt, if England were separated only by a navigable river from parallel rail carriers in rival-producing Germany, that such a potent fact would have largely shaped English railway legislation? Its insular position is clearly exceptional.

Sixth.—The United Kingdom has not, running through all its limits, free navigable rivers to impose their cheap rates and their checks against exactions, and compel liberal conditions upon parallel railways, as in our country through its entire area of greatest tonnage production and movement; yet our advocates of congressional railway control have never suggested, as even a just or experimental preliminary transportation step, the regulation of rates upon the river, lake and sea-coast courses confessedly under its control, before fixing arbitrary conditions upon the adjacent railways over which their control is questioned.

Seventh.—"English canals are wholly in private hands," writes Mr. Sterne, and for that excellent reason the English act of 1854 was the "*Railway and Canal Traffic Act*," while in New York the anomaly is presented, that its transportation agitators make no suggestion, and the State no effort, to fix, control, or regulate transportation charges upon the canal it owns and built with public monies, but direct all their efforts to limit and adjust carrying rates upon parallel railways, built almost exclusively with private funds, even when the railway rates are largely determined by those of the Erie Canal.

Had the English public built and owned such a controlling canal carrier through its longest central distance and densest population and traffic, does any fair mind doubt its influence in determining just legislation as to railways, built with the monies of its citizens, within sight of passing boats?

Eighth.—The traffic conditions of England differ essentially from our own. We raise, gather, transport, and sell the surplus food it lacks, buys, imports, and distributes. England is the purchaser in the lowest market; America, both the carrier and seller, against the cheapest white labor of the world, in the rival agricultural fields of Russia, which uses far less rail distances. It is Chicago against Odessa. To succeed, we must carry our largest tonnage products over long rail distances, through an average of five States, having diverse and even rival carrying laws; while England distributes the same articles from its ports of receipt, over short hauls, at local rates, through a nation solely under one uniform civil power, uncut by

independent States, and undisturbed by contradictory enactments.

In payment for a full car-load of our grain or cotton, we take one box of goods or a cask of hardware ; and English rates for railway transportation on both the articles we sell to them and those we buy from them, average, under and sustained by the identical laws commended to our adoption, more than double per mile those we charge our citizens on the same articles before they leave and when they reach our shores.

Ninth.—There are exceptional traffic conditions in the British Kingdom over its short distances which are similar to our almost uniform requirements, and in those cases their practices are like our own. For example, through transportation from Belfast to London *via* Dublin and Holyhead is made up of rail carriage to Dublin, thence by steamers across the Irish Sea to Holyhead, and again by rail to London, comparing in that respect with rail transportation from Rock Island to Chicago, thence by lake to Buffalo, and thence by rail again to New York ; except that in our case, the water course is paralleled by competing rail lines restricted as to rates by the carrying conditions of open lakes. But the local railway rates between Belfast and Dublin, and Holyhead and London, exceed the proportions of the through rates accruing between the same points on the through traffic cited ; and every English transportation act recognizes this necessity, aids in its solution by governmental apportionment, and confers upon the railways discretion as to competing rates against rival carriers direct by sea between London and Belfast. This is directly contrary to the urgency of our modern transportation reformers, who can find no consistent refuge for their logic except under the roof of a pro rata law as proposed by the recent so-called “ Anti-discrimination Act,” discussed in the New York Legislature, and proposed and urged by a committee of enquiry after only about three months’ labor in eight months of intermittent sittings.

These salient and essential differences of condition may be thus epitomized :

A small insular territory governed by one law enacted and

enforced by one tribunal over short distance railways, with five times as much railway mileage per square mile of country as our own, costing three times as much per mile as our own, running through traffic three times as dense as our own, and earning three times as much per mile gross and nearly four times as much per mile net as our own, at rates averaging about double per mile the rates charged by our railways, and without foreign rail or river rivals or free internal competing and controlling canals, navigable lakes and streams.

On the other hand, our Union of forty-seven States and territories covers a continent feeding a world contesting our markets, each State making carrying laws as absolute within its local limits as those of Parliament over all England; our hauls long and complicated, the parallelism of rivers, lakes and foreign carriers positive and controlling, and our population relatively sparse.

Every condition requisite to the cheapest rates exists in England; yet our charges average about one-half theirs, and their higher rates are sustained by a railway pool, consolidation or clearing-house recognized by its law, and sustained and enforced by its Parliament, courts, Railway Commission and Board of Trade.

Did American railways receive or save the same earnings per mile as do English carriers, and all at local rates, we could bear more quackery in legislation; but to ignorantly or purposely disregard such plain diversity of facts is to do deliberate or easily avoidable wrong to no justified ultimate purpose.

In reciting the early railway legislation of England, Mr. Sterne says: "Excessive charges and monopoly rates were as to them unknown," referring to canals and turnpikes. So were speed and certainty, but it seems a full answer to this entire section, that now that they *are* thoroughly known to exist by railway through the repeated investigations of Parliament, railway charges that in America would be deemed grossly excessive are nevertheless confirmed and enforced by its authority, and all railway carriers, solvent or bankrupt, over long or short distances, are combined under that parliamentary authority and protection into a cohesive, unbroken, and absolute

monopoly power, with a rigidly organized clearing-house to maintain it.

The earlier attempts to avoid this result in England by giving forwarders the right to supply their own power and cars as horses and boats are furnished on canals, and by all other means, have come to this legalized national result in England, through a series of railway investigations and a mass of railway legislation of the most contradictory character.

The railway committee appointed January 21st, 1840, reported a "total misapprehension" in providing locomotive powers by preceding legislation, and said it was "obvious that all these restrictions and limitations were useless," and that "monopoly is inseparable from the nature of these establishments;" and the "Seymour Act" was introduced, authorizing the Board of Trade to publicly regulate that power, but not in conflict with charter rights. Another select railway committee of the following year criticised its predecessor, and advised limiting the discretionary power previously given to the Board of Trade, because in a noted case that power had been unjustly used against the railway involved.

The royal commission of 1872, the ablest that ever considered this subject in any country, spoke of the committee of 1841 "contemptuously" and of its conclusions as "lame results." Even the bill passed in 1844, upon the Gladstone reports of that year, Mr. Sterne says presents itself "even to practical minds" as a "useless measure" and "worse than useless."

Regarding the commission created within and by the Board of Trade in 1844, so able and conservative a statesman as Sir Robert Peel declared the next year so strongly against it that it was dissolved.

Another special committee was formed in 1846 upon the same subject, and in the same year another railway commission was formed with large powers and salaries, only to be again abolished in 1851. Another special committee was appointed in 1853, which justified railway combinations, and enacted the "Railway and Canal Traffic Act of 1854," still in active force, and which act the London *Times* thus epitomized :

“It imposed on every railway and canal company the duty of affording all reasonable facilities for receiving, forwarding, and delivering all traffic, whether of passengers, goods, or animals; forbade any company to give an *unreasonable* preference or advantage to any particular person or company, or to subject any particular person or company to any *undue* or *unreasonable* prejudice or disadvantage; and enacted that companies working railways or canals which form part of a continuous line of railway, shall give all reasonable facilities for receiving and forwarding traffic arriving *via* another railway or canal.”

In 1865, another royal commission was formed, of which Mr. Sterne says: “Its recommendations were vague, and without substantial results.” This conviction upon his part may proceed from the following very clear rather than vague conclusion announced by them in their final report of 1867:

“Inequality of charge in respect of distance, besides being a necessary consequence of competition, is an essential element in the carrying trade; that is to say, the principle which governs the railway company in fixing the rate is that of creating a traffic by charging such a sum for conveyance as will induce the product of one district to compete with another in the same market.

“The power of granting special rates thus permits a development of trade which would not otherwise exist, and it is *abundantly evident that a large portion of the trade of the country at the present time has been created by, and is continued on the faith of special rates.* * * * The conditions under which such rates are granted are so numerous that no special law could be framed to meet them.”

Notwithstanding this studied and intelligent conclusion, our legislators and railway theorists think that in a country with the far more complex local and through conditions herein pointed out, they can nevertheless frame a special law to amply meet and regulate them.

In 1872, still another special railway commission was appointed, which, upon the same much-vexed subject of special rates, reported in confirmation of the like judgment of the commission of 1867. After concluding that the enforcement of equal rates was “inexpedient” and “impracticable,” this able commission gave the following excellent reasons:

“It would prevent railway companies from lowering their rates so as to compete with traffic by sea, by canal, or by a shorter or otherwise cheaper railway, and would thus deprive the public of

the benefit of competition, and the company of a legitimate source of profit. It would prevent railway companies from making *perfectly fair* arrangements for carrying at a lower rate than usual, goods bought in large and constant quantities or for carrying for long distances at lower rates than for short distances."

In introducing the bill based upon this report to the House of Commons, the Rt. Hon. Chichester Fortescue, Chairman, now Lord Carlingford, said on the 10th of February, 1873 :

"There was the question whether *the unlimited power of varying their charges to the public which the railway companies now use* (note this, notwithstanding former legislation), certainly with great freedom and in a manner which led to complaint and sometimes to suspicion, ought not to be limited, and whether the system of equal mileage rates exactly according to distance, should not be imposed upon the companies. They were very carefully considered, and in *all* these cases the committee came to the conclusion *unanimously* that they were not conditions which it was *either practicable, or for the public interest*, to impose on railway companies."

The Act of July 21st, 1873, then first introduced, does not go farther as to special rates in all its thirty-seven sections than the Act of 1854, already quoted, and under which Mr. Fortescue said the railways possessed "unlimited power" of variation. On the contrary, both acts, and both the able reports which preceded them, distinctly recognize not only differential but preferential rates, if not "undue or unreasonable."

These are the conclusions of intelligent and conservative English thought upon special rates and the whole general subject, after thirty years of repeated investigation by fair commissions, legislation and experiments, during which Parliament had six special railway commissions, and two special commissions or powers given the Board of Trade, both of which it abolished ; and enacted over three thousand railway bills at enormous cost to the public and the railways, many of which it afterward repealed. Under existing law and the railway commission, appointed for five years upon the report of the great committee of 1872, the whole has resulted in :

1. National recognition of the mercantile necessity and equity of special rates, provided they shall be public and "not unduly or unreasonably preferential."

2. Government and not the commission may reduce the rates after ten per cent. dividends have been earned, or may purchase the railways after twenty-one years, by guaranteeing ten per cent. dividends thereafter to the shareholders.

3. Beginning with the "Railway Clauses Consolidation Act" of 1845, amalgamations or consolidations are fully authorized, by which rates may be and are maintained at any standards fixed by the railways, not in excess of their charter provisions; in pursuance of which power practical consolidations of revenues in the London Clearing-House are authorized and sustained, where actual amalgamations have not occurred.

4. The decreeing powers of a court of arbitration given to the commission, as between railways and canals, as to each other, and between those carriers and the public on public questions.

5. The apportionment of through rates between different connecting railways, and as between carriage and terminal charges; the technical approval of joint railway and canal traffic arrangements; and minor powers not essential to this discussion.

It should also be remembered that this great problem has long received in England the unprejudiced and statesmanlike attention of such men as Gladstone, Peel, Fortescue, Childers and others—names in strong contrast with those most active in the anti-railway legislation proposed in America, although public sentiment here is so easily fired that publicists and leaders have greater need to be circumspect and conservative.

In reviewing the mass of experimental English railway legislation and conclusions, Charles Francis Adams, Jr., tersely said, when Chairman of the Massachusetts State Railway Commission:

"Nowhere has the system of special legislation been so persistently followed, and nothing, it may be added, could have been more complete than its failure. * * * The result of thirty years of successive and and wholly abortive effort in this direction in England, has at last settled down in the conviction that the development and necessities of trade in practice, always have

nullified and inevitably must nullify the special acts, no matter how carefully and skilfully they may be prepared."

As the principal criticism of Mr. Sterne is on special rates, and is so disposed of by the very testimony invoked by him, it will be well to observe further that nowhere in English railway legislation is the pro rata suggestion or principle incorporated or supported, while it is a prominent and annual feature of proposed State and national railway legislation in America, where the application of so abstruse a principle is far more difficult than in Great Britain. All this is the important testimony of intelligent and national conclusions.

Another valuable lesson England teaches us is, that it never attempted positive railway legislation upon rates beyond that contained in its charters granted, until after the reports of its two first commissions; yet Mr. Reagan, of Texas, with a considerable congressional following, urges our national assembly to adopt in this vast country, with complications far greater than those of England, positive and most radical rate legislation without prior investigation by a national commission—as thoughtfully urged by the railways and the conservative elements of the mercantile public, and repeatedly pointed out as the frequently recurring railway policy of England.

Even in commercial New York a committee of nine, politically unanimous as to eight of its number and upon the eve of a national election which its reports were intended to affect, reported a bill for the most radical and impracticable pro rata legislation, contrary to their own former report, and simultaneous with their recommendation for the appointment of an advisory commission, not even awaiting its appointment and reports.

To answer that its information and report were full and conclusive is to claim that six citizens of New York can better solve, under the influence of a hostile indictment mainly disproved, what England learned in thirty years through the laborious study of practically eight commissions, although our one committee possessed a minimum of transportation—and little legislative—experience, and dealt with carrying com-

plexities infinitely greater than those of any other State of the Union and greater than those of all England.

Mr. Sterne also withholds from his English discussion and review all reference to the present state of feeling in England upon this important subject. In a railway petition presented to the Senate of the Parliament of Canada on the 12th of March, 1880, its intelligent author, who was repeatedly appealed to by the English commission of 1872 for practical information and advice, and did much to shape the parliamentary act to which he refers, says :

“Comparatively simple as was the subject in England, the court formed under the imperial act referred to (July 21st, 1873) has not given satisfaction either to the commercial or the railway interests; and your petitioners respectfully submit that the application to Canadian railways of provisions from the imperial act—confessedly inadequate where every corporation and interest affected were under the jurisdiction of the British Parliament—must be fraught with peril to your petitioners and other similar corporations.”

This being true of Canada, how much more is it pertinent to railway conditions in our many States! Another recent petition of the Northern Railway of Canada to its Parliament says :

“Your petitioners submit that railway operations in England are, by reason of the insular and isolated character of the country, comparatively simple, as in relation to kindred operations in Canada which are largely guided, controlled and dictated by the international character of the carrying trade of the country.”

If one section of the Queen's dominions urges the inapplicability of the home act to Her Majesty's American possessions, how much more cogent is such reasoning when applied to the United States.

That the subject is even yet regarded as an open and disputed one in England, is farther proven by recent litigation, in which an order of the railway commission upon the South-Eastern Railway was resisted by that company and was carried to the Court of Queen's Bench, which decided in favor of the railway. Commenting upon this decision, the *London Times* of January 14th, 1880, said :

“The jurisdiction of the railway commission has received a

heavy blow. Their powers prove to be by no means what they were supposed. * * * *The Lord Chief-Justice drew a cogent argument from the past policy of the legislature, which was to impose terms as to the original construction of a line, and afterwards to leave its owners to manage it as they deemed proper.*"

This is a condensed final definition, uttered by its Lord Chief-Justice, of all past English legislative railway policy, which is clearly entitled to more weight than the theoretical interpretations of misleading authors. To prove further that the general question is still open in England, it is again engaging the attention of Parliament, and in answer to a motion of the Earl of Cork in the House of Lords, on the 12th of February last, for a comparison of English rates with those in various other countries, including our own, the Earl of Beaconsfield replied in part :

"In the United States every State had a railway law of its own and possessed unlimited discretion without any legislative (*i. e.* national) action, as to altering the railway rates on every route and on every article."

Mr. Sterne next says that the conditions of the railway question in France and Germany are "not pertinent to this discussion," to which bare assumption a demurrer is entered.

No abler paper upon this general topic has been penned than that of M. de la Gournerie, Inspector-General of the French Corps of Bridges and Highways, and first published in February, 1879, in the *Bulletin of the Society for the Encouragement of National Industry*. His conclusions, so announced, are largely observed in the present railway methods of France.

It may be premised, that the French railways have been constructed in systems radiating mainly from Paris like the spokes of a wheel, and certain territories and districts are permanently assigned to each railway system, within which all others shall refrain from interference. Their construction bonds were mainly guaranteed by the Government, in return for which and other acts the railways revert to the Government, or it may become possessed of them after long periods, the intermediate profits up to ten per cent. belonging to the share-holders, the Government meanwhile reserving the general supervision of management. While governmental aid

could little farther go without full ownership, the maintenance of high tariff rates far in excess of those in the United States and by measures far more effective than pools and clearing-houses, could not be more absolute; and we thus find two of the great governments of Europe in accord in the practical protection of adequate returns upon corporate interests and investments against the public and private follies of unlicensed rivalry and inconsiderate public interference. Notwithstanding this imperial protection continued by republican France, the world-wide questions of long and short hauls and regular and special rates arise and call for adjustment as in every other country.

In his masterly review, M. de la Gournerie says :

"In spite of some peculiar circumstances, the operation of railroads, like all other industries, is subject to the great law of economics; * * * * the prices should be regulated according to the value of the transportation as determined by the action of supply and demand, and that, when different bases are adopted, such as the length of haul or the amount of cost, we are led into contradictions and impossibilities."

Again :

"An article of transportation, like every article of goods, and like every service, has a value determined by the action of supply and demand. We should pay for it, *not what it costs, but what it is worth*. An exception to the general law of transactions should be made only for powerful motives."

Still further :

"A railroad in its own interest, and in that of the country, ought not to neglect any traffic of a kind that will increase its receipts more than its expenses."

The following paragraph is commended to those who regard it passing strange that railways cannot fix one unvarying unit of transportation :

"The different units of transportation carried by a company are far from giving equal profits. If, because some of them leave as net profit only a very small part of the receipt, we assume to regulate the tariff so that it shall get only the same proportion of the whole gross receipts, it will not be able to meet the obligations which it has contracted. The certain result of requirements of this kind would be to lead the companies to refuse all shipments in which they could not make a high profit, and consequently to

abandon a considerable income, while depriving the country of cheap transportation for a great quantity of merchandise."

A pamphlet issued in September, 1877, by the Administration of Public Works for France, commenting upon higher rates for short than for longer distances, declared :

"These anomalies, so much charged against the railroads, were not, however, a new event in the transportation business. Before the establishment of railroads, the carters likewise imposed a higher rate from Paris to Angers (191 miles) than from Paris to Nantes (246 miles), and we see that, over this route, the railroad had only followed the old cartage irregularities. The boats, on their part, formerly took more from Chalon-sur-Saone to Villefranche (60 miles) than from Chalon to Lyons (81 miles) ; more from Lyons to Tarascon (156 miles) than from Lyons to Arles (165 miles)."

Upon this statement, M. de la Gournerie comments :

"Freight could be shipped from Paris to Nantes by navigation of the Seine and by barges. We understand, therefore, that under the action of supply and demand, transportation from Paris had less value to Nantes than to Angers.

"The transportation from Chalon to Villefranche was effected by flat-boats destined for Lyons, which had to make landings and lost time, or by special boats, for which it was difficult to get full loads.

"The railroads are under the same conditions as the carters and the boatmen. I do not see how it could be possible to establish that transportation never has a less value for a longer than for a shorter distance, or that each separate transportation should not be paid for according to its value."

Proceeding from this to comment upon uniformity of tariffs, he remarks :

"A good deal is said of uniformity of tariffs, of regulating the rates according to the distance carried, without taking into account the value of the transportation. * * * Good results can be attained only by fixing rates closely in conformity to the *value* of transportation. If they exceed it, the road is of little utility to the country and yields small receipts. If they are less than it, they are a gift to the community. Except for grave reasons, an arrangement contrary to the rules universally admitted in commerce ought not to be adopted. Uniformity of tariffs would occasion much greater inconveniences in France than in a smaller country, all parts of which would be under nearly the same economical conditions."

In discussing the regulation of tariffs by cost, he says :

"Some have proposed to regulate the tariff in accordance

with the cost of the transportation. This basis could not be applied to those roads whose net earnings cannot cover the interest on the capital invested. For others it tends to fix the rates very low."

The following is particularly commended to those who have expressed great surprise that railways cannot promptly state exact cost :

"It is important to observe, however, that the value of any given transportation on a railroad is not known with precision, because it results from a maximum."

The following is also of great clearness and interest :

"The permanent intervention of the Administration in the operation of railroads is sought to be justified by saying that the companies, relieved from all competition, fix their rates in a manner wholly arbitrary. I will first remark that the monopoly is not absolute, for the railroads find as competitors, under different circumstances, the coasting vessels, the river and canal boats, the stage coaches and the freight wagons, and next, that a privilege modifies the effects of supply and demand, but does not destroy them. A great many monopolies exist, some by law, others *de facto*, and the different merchandise has none the less a value determined without any intervention of authority. * * * * *

"These considerations are applicable, even in case of competition, to every industry capable of receiving a considerable development. * * * During the first years after their charters, the companies were almost free to regulate their tariffs within certain limits. Spontaneously they made reductions for freight, and offered to passengers various advantageous arrangements. It is even possible that in certain cases they knowingly reduced the rates below the figures which would have procured them the greatest immediate net profits, in order to develop the industry of the country which they served ; this was sowing in order that they might reap.

"*At this epoch we had not yet invented any of the restrictive measures by which we injure the interest which we wish to protect.* The companies were able to make experiments, to take account of the growth which the different branches of commerce were capable of making, and to appreciate with sufficient certainty the effects of supply and demand.

"The value of any transportation depends essentially upon the operating expenses. * * * The gross receipts are very small when the rates are either extremely low or excessive."

In summarizing this cogent review, he concludes :

"I have sought to combat this widely spread opinion, that in the commercial operations of railroads everything is artificial ;

that instead of observing, we must invent ; that instead of habitually leaving the different interests to react upon each other through supply and demand, it is necessary to be regulating continually. If we were certain that the men who manage railroad business would always have a perfect understanding of these questions, my conclusion would be to leave the matter to them entirely ; but the companies enjoy too great power for us to resign ourselves to endure tranquilly the consequences of their errors. I think, then, that the State should preserve its powers ; *watch attentively, but prescribe little.*"

The best thought of England and France thus seem in entire accord in this conclusion upon an intricate subject, contrary to the American anti-corporate idea which seems to be : *Prescribe much, even if we know little ; and try it, for we have not the time to watch.*

Passing now to Germany, the constitution of the Empire expresses the idea that all its railways are to be operated as a unit, and declares its railway policy to be the greatest practicable reduction of tariffs ; but its railway law of November 3d, 1838, still in active force, fixes the tariffs at ten per cent. profit upon the stock, the same as in England and New York, and orders a reduction of rates as soon as those previously charged produce more than that return. In building the roads, their managers could dispossess by force, and the builders accepted charters which provided that the tariffs are subject to State control.

The mercantile carrying problem cannot, however, be solved more easily by emperors than by citizens, and the variation of local interest and rivalry, the competition with adjacent nations, long and short hauls, the proximity of streams and seas, complicate this question more in united Germany than in England, and more also than in France, because the latter districts its territory and assigns its traffic.

The just solution of these difficulties has frequently eluded the sagacity of the State, and it has at last become the policy of the great chancellor to purchase the main lines by just negotiations with their owners, and thereafter manage and control them. Prior to this conclusion, a commission reported upon the whole subject, and the conclusion as to the railway policy of the Empire—within all of which its wishes and law are more potential than those of Parliament in

England, because backed by more unrestricted power—was as follows :

“ In the course of forty years of development, the enormous importance of the railroads, for traffic, and the entire modern civilization, has been shown, so that the legal regulation of the State’s supervision over the railroad system is acknowledged to be one of the most difficult problems to solve.

“ It is not yet everywhere understood that an efficient regulation and organization of the State’s supervision over the railroad system is *impossible* for any length of time ; that the indirect attention of the State for the public interests concerned is not to be regarded as sufficient means to solve the task of their protection and promotion. The existing order of the railroad system in the different States still presents a queer picture of the most differing systems. A closer study of the important public interests concerned in the railroad system, and of the task the State has to fulfill in their protection and promotion, will prove that of all these systems, the direct and unlimited attention of the State, *the uniting of the property*, of the traffic, and of the management of the inland main lines under the strong arm of the State, are the only efficient *and proper* means to solve that task.”

In discussing the system of freight tariffs, the report observes :

“ It is difficult to arrive at an understanding, either by circumstantial, verbal or written proceedings between the managements, in regard to the principle of tariff formation.” * * * *

And elsewhere :

“ The principle of equality does not absolutely exclude that special freight reductions or other favors should be made dependent upon certain suppositions, such as the amount of freight, or what distance freight is sent. * * * On the German railroads, besides 63 skilfully arranged local tariffs, with their different classifications, and numerous exemption tariffs, there are no less than 184 general tariffs for a connected intercourse of German roads with each other, with 351 special tariffs for certain articles, and 199 general tariffs for intercourse with foreign countries, and 314 special tariffs.”

This is a total of 1111 tariffs on about 13,500 miles of railway, over an area of but 210,000 square miles, or a separate tariff for every 12 miles of line ; and yet it is concluded that the problem could only be solved by government purchase.

The following cumulative proof is commended to the critics who say that the cost of transportation can and should be readily determined :

“ The regulation of tariffs moves in a broad margin between

the expenses of running the road, which it is very *difficult and uncertain to determine*, and the value of the transportation to the stockholders."

The following imperial consideration for private rights is also commended to those republican agitators who disregard them :

" A forcible reduction of freight offers, for legitimate regulation, difficulties almost impossible to overcome, without of course referring to reductions conditioned by competition or pressing liabilities. A *legitimate* regulation contains not only a weighty and direct encroachment on the management, but also on the financial affairs of the enterprises concerned."

These, then, are the essential conclusions of the three most intelligent foreign governments upon this great problem, after years of legislation, supervision, and participation.

It is now pertinent to inquire how they compare with those expressed in acts introduced by the last two transportation committees of Congress, and urged upon the railway investigating committee of the New York Assembly.

The former exempted canals, rivers, steamboats, coasting vessels, and barges on all waters, and tied the hands of parallel railways, as England does not ; it made absolutely uniform rates, regardless of quantity, whereas the English acts recognize quantity as a factor ; it prevented draw-backs, even if made for purely commercial considerations, and alike to all, like a merchant's "ten per cent. off," as England does not ; it prevented the tonnage divisions, which, more than any other devices, have stopped the transportation wrongs of the past in America, which England sustains by law and enforces in a clearing-house, which France adjusts by an actual tonnage distribution by the Government, and which Germany is organizing by a purchase that surely stops former competition. It stipulated that no charge for short should exceed that for longer distances, and enacted the pro rata principle which England and France have discarded ; it required all rates to be printed and posted, while England permits special contracts registered at stations ; it disregarded and made us subject to foreign competition *via* Canadian railways and water outlets ; and if enacted, it could not touch the New York Central between Buffalo and New

York, or the Pennsylvania between Erie or Pittsburg and Philadelphia, because those lines are all in single States, while the legislation would control their rivals, the Erie, and Baltimore and Ohio. This striking fact is a sufficient commentary upon the dissimilar conditions of England, France and Germany, under whose absolute and uniform national jurisdiction no such anomalous wrongs could occur.

The urgent appeals of our railway interests for a national commission to examine this question before enacting such radical and unparalleled legislation have not to this moment been complied with, and our legislators do thus exactly reverse the juster English rule, to learn first and enact afterwards.

The investigating committee in New York was appointed mainly because of the gravity of charges preferred against the railways by the Chamber of Commerce and Board of Trade and Transportation, the latter without a transportation man in it, and both being trade organizations local to New York City.

There were and are other and controlling factors in the carrying problem in New York which singularly escaped the attention of these complainants and the committee, to wit: the rivalries of the Erie Canal with the New York trunk lines, and of different carriers upon the canal itself. It was not and cannot be denied, that Erie Canal carriers are free to reward their friends or punish their enemies by varying and discriminating rates; by different rates on the same days, and in some instances in the same boats between the same points; by the lower charges for the longer distances; by drawbacks and by discriminations in favor of the through trade; yet, these important questions which often control the rates and acts of the adjacent rail carriers, have been and are left free to continue unrestricted on the canals confessedly under State control, while parallel railways are restricted upon like traffic.

More than this, the Erie Canal tariff prescribed and enacted into law by the State, discriminates widely. Twenty-one articles are carried free, twenty-three other articles are charged at double the rates toward New York City which are charged

from it, and salt is charged at over eight and a half cents per one hundred pounds from Troy to Buffalo, although the cheapest article carried, while manufactured tobaccos, cottons, and woollens are carried free, and against which free tolls the railways must compete.

Can legalized discrimination go farther? And can it be doubted that if the parallel trunk-line railways established like preferences, and similarly made the producers of one class of goods pay enough to carry, free those of others, it would be heralded as railway abuse, preference and injustice,—and that legislative methods would be sought to remedy them? In this respect, note again the fairer policy and action of England in making its laws "*Railway and Canal Traffic*" acts.

The first body above named, disregarding entirely these palpable canal wrongs—charged upon the railways in seven counts, that freight was carried for citizens of foreign countries, and other States, for less rates than those charged in New York State; that individuals and localities were unduly preferred; that railway officers charged high rates to maintain personal gains; a lack of publicity; abuses of proxies, and unjust differential rates between competing seaboard cities.

The second organization endorsed the first in a so-called indictment, covering twenty-eight specifications, but also omitted to recommend the State to first cast out the beam in its canal eye.

The first of these charges as to foreign freights was proven to have been true for less than one year in a temporary contest with the Grand Trunk Railway, and as it had been stopped for two years when charged, it was therefore untrue.

It was not denied that the railways carried western products for shares of through rates which were less than their local charges, but it was shown that by the coöperative tonnage apportionments the former too excessive discrimination was discontinued; and it is now believed and hoped to be permanently so.

That localities were intentionally preferred, was not attempted to be shown, but in exceptional cases undue preferences were doubtless given to individuals—a wrong which was

generally righted before the committee closed its sessions or prepared its reports and bills, although they gave the railways no mention or credit for that act and fact.

No endeavor was made to sustain the slanderous charges against the railway officers, never before paralleled by deliberate commercial bodies, and the lack of certain publicity, the abuses of proxies, and watering of stock, were matters not unlawful; but the railways concurred mainly in the modifications proposed in those connections.

With this condensation of the general allegations against the State railway system, the review of Mr. Sterne is approached with amazement at its errors of fact.

To begin their enumeration, it is stated that at first the establishment of through lines produced such low rates that the proximity of the New York producer to New York City placed lands in the west worth three dollars per acre upon a parity with those in this State costing one hundred dollars per acre. The error of this statement may be shown from the proof that through lines existed to Chicago by rail and steam and by all rail, from 1852 to 1856, while the rates referred to are not complained of until after 1873, from twenty-one to sixteen years later; and also from the undeniable proof presented, but not admitted in the article under consideration, that from July 1st, 1879, to the date of the committee's report not only had the railroad companies succeeded in overcoming prior through discrimination against the local traffic of citizens of New York, but had so thoroughly reversed it that counter protests were offered in congressional committees by citizens of western States.

To state in a review of April, 1880, as a fact of present date, evils which ceased nine months before, is to wrongfully mislead the public mind. It is a present fact, shown before the committee, that every farmer, stock raiser, and dairyman of New York, resident upon its trunk lines, has an advantage in transportation eastward only—and more when his westward purchases are added—as compared with the average farmers shipping through Chicago by rail to New York, equivalent to not less than \$80 per car, and which from October 1st, 1879,

to March 1st, 1880, equalled about \$100 per car of four hundred and fifty bushels of grain.

In this connection it was proven by the official census reports before the railway committee in refutation of the gross agricultural misstatements of the above named trade bodies and their counsel, that from 1865, the year of greatest inflation, to 1875 the year of deepest depression, the value of farms in New York had increased 32.72 per cent., the value of farm tools and implements 108.81 per cent., the bushels of spring wheat 46.26 per cent., winter wheat 66 per cent., oats 99.28 per cent., with many other large increases; and Secretary of State Bigelow, in discussing a comparison of the federal census of 1870 with the State census of 1875, wrote as follows :

“There has been a very substantial increase in the number of farms in the State since 1870, and this increase is most conspicuous in the class of farms from 100 to 500 acres. The net increase in the number of farms of all sizes is 25.586, while farms from 100 to 500 acres have increased 34.548, and farms of 500 acres and upwards have increased 1.037.” This was not agricultural ruin.

The milling interests of Rochester and the pork-packers and millers of Buffalo were also voluntarily placed upon a basis equal to or better than that of their western competitors, before the committee reported.

That the Erie Railway from 1865 to 1874 had substantially no local tariff, arose, as clearly shown before the committee, not from the inequality of its freight charges, but from the fact that its repeated changes of management preserved a former tariff as a general guide, although its rates were enormously reduced and were almost uniform to all its patrons; its auditors certifying that less than five per cent. of its entire tonnage was carried at preferential rates, and it is for that five per cent. this legislation is proposed on that line.

The citation from the testimony of “a leading grain-shipper of this country” misrepresents the expressions and intent of that witness, who merely said he had no time to find out what railway tariffs were, and so made a contract at fixed prices,

in fixed and large transactions, which he distinctly stated upon the stand might be the tariff rates or otherwise. To so completely misrepresent the statements of this gentlemen is to invoke most questionable methods in a discussion which should call forth only the fairest.

To state that the chaotic condition, so deftly and originally constructed, was complicated by fast freight lines is to contradict the uniform and entire testimony before the committee. No proof was submitted to support the libellous statement that former railway managers "exploited" their trusts by getting for themselves percentages of the cut rates for through traffic, and that the saving of time and avoiding the breaks of bulk by organizing through fast freight lines at first inured, as is clearly implied, wholly to the benefit of private personal interests; and even had they done so in bygone years, the later and radical reforms, clearly proven to have been introduced by the New York railways criticised, should command cordial mention rather than insinuated reproach.

The statement that the local traffic of the New York lines was, as a rule, and "is still," carried at rates "far above the through traffic," not only relatively, but absolutely, is untrue, except it may be in some instances so isolated as to resemble the traditional needle in the hoary hay-stack.

Generally as to local rates, it was proven before the recent investigating committee, that of one hundred and twenty tariff rates from Philadelphia and Baltimore to stations on the Pennsylvania and Baltimore and Ohio lines, as compared with the same number, for like distances, on the New York Central and Erie lines from New York, the latter were under the average on one hundred and two rates, and the two former companies exceeded them on one hundred and one rates. It was also proven that in comparison with the Baltimore and Ohio freight rates, the tariff rates for like distances on the Erie average over fifty per cent. less; the local rates of the former for three hundred miles being ninety per cent. in excess of the Erie, and for three hundred and seventy-five miles they were seventy-six per cent. greater than the Erie rates for four hundred and sixty miles.

The local passenger rates of the New York lines were shown at the same time to be greatly below the others.

Nothing can be more fallacious than the statements and reasoning regarding bankrupt railways.

The fact that once a railway always a railway, and that this is contrary to the rule of merchandising, is too apparent to require contradiction; but the unsupported assertion that a bankrupt railway, or one which is temporarily unable to pay interest and dividends, becomes a more formidable rival than before, and then threatens bankruptcy to solvent roads, is irrational to the verge of lunacy and with its easy dissipation falls the fabric of false logic built upon it.

The Erie Railway was recently insolvent, but it asked and charged no less rates, and could get no higher ones, for that reason, and was not even as formidable a rival to the New York Central and the Pennsylvania Railroad as before, for it was thereby embarrassed by litigation and delayed in its otherwise more prompt business conclusions. It never undertook to bankrupt any solvent competitor; it could not "afford to be run for mere operating expenses" as well as a dividend-paying line; it constantly endeavored to get out of bankruptcy by better management, rates and results; and every business reader will appreciate that none but a doctrinaire would assume such false premises, and then reason from them the reverse, *i. e.*, that it caused "a pressure to combine rather than compete." Let us analyse this falsity.

Every bankrupt line in the States usually goes into the hands of the courts.

Does he mean that our courts use or permit their receivers not only to sink their trusts into deeper insolvency, but to deliberately bankrupt others, or that the boards of directors—continuing in office for the sole purpose of lifting their properties out of insolvency, and making their lapsed bonds and shares of restored or greater value—deliberately betray and deprave their duties, not only to ruin their own property, but use their power to destroy that of others, unless forsooth they can get agreeable traffic contracts? The unqualified assertion is ventured that no such case can be quoted in the entire

country, and the Grand Trunk illustration proves precisely the reverse, because, insolvent as it has been, its officers have voluntarily become parties to the present plans for maintaining rates, rather than to efforts to destroy those of solvent companies or their own.

The controlling competition of water is referred to briefly elsewhere; but that rivalry of railways with each other, which sacrificed millions of dollars to which they were justly entitled as the minimum value for services rendered, and without compensating advantages to the public, is met by Mr. Sterne with illogical looseness.

The statement that rates were "substantially under the control of fast freight line agents" at any period of railway contest is contradicted by all the testimony invoked throughout the examination, and the review which follows this farther assumption is incorrect to an amusing degree, in all the following particulars:

a.—The Southern Railway and Steamship Association was not the first pool in this country based on the division of traffic, because it did not divide its traffic.

b.—At no time even near the date named were a large number of "underlings personally interested" in the "way of commissions in breaches of railway agreement."

c.—The trunk line presidents in all late years gave honorable notices of their withdrawals from compacts, and carried them out as between themselves until then, even when broken by other companies.

d.—Mr. Fink did not conceive the idea of having a "trunk line bureau to divide traffic;" nor did he know of its conception until it had been agreed to and he was asked to act for it.

e.—Shippers deliver goods at any depot they choose, and their wishes have been and are regarded as to the final delivering lines, except when the latter cut rates in violation of pledges.

f.—When Mr. Fink was appointed, it was solely for west-bound tonnage from New York City. He was not "invited to take charge of east-bound matters," and then had nothing to do with them.

g.—The “pooling contract” of April 5th, 1877, did not pool or contain the slightest allusion to a pool.

h.—No “like” (*i. e.* trunk line) pool was “carried out as to east-bound traffic” “in the Spring of 1879” or at any other time, and the trunk lines are not yet pooled eastward.

i.—Not one of the east-bound so-called “pools” of western railways deals with, or touches even remotely, the question of differences in rates between the seaboard cities.

k.—The Grand Trunk company had never made a “successful war of rates against the powerful New York corporations between Chicago and Boston.” It neither owned nor controlled either end of that route, but was compelled by its longer mileage, slower time, physical conditions, single track, higher grades, slow payments for losses and overcharges, blockading storms in winter, delays caused by bonded transit, etc., to offer and accept less rates than its American rivals, as every business man will understand, to secure a share of the carrying trade, and never carried even twenty per cent. of the whole tonnage between those points even at those reductions. Its condition is now greatly improved, and its own lines extended.

Like the crab of Cuvier, with these trifling exceptions the statement is approximately correct.

In dealing with the intricate and difficult adjustments of these long-contested questions, local discriminations were at last largely avoided, tonnages divided, rates equally maintained, merchants put more nearly on an equality, petty abuses corrected, time quickened, misrepresenting merchants thwarted for the benefit of the honest, false overweights detected and accidents thus avoided, equipments more equitably assigned, mercantile as well railway confidence largely restored, values made more settled, and the elements of commercial calculation rendered more stable ; and all this was accomplished without State or national legislation, or contribution by them to the great losses incurred in their determination.

With these lesser adjustments came that of the great and national question of the relative advantages of the various

ports in through rates, which had mainly induced the past contests with all their evils, but which Mr. Sterne treats with customary local narrowness, even in a *National Review*.

The New York lines believed it their duty to look at the question from a broad point of view, while contesting for the metropolis all they could possibly obtain; and it ill becomes those whom these great contests cost never a thought or a penny to criticise railway share-holders who poured out their monies for its sake.

In prior years the Baltimore rates had been twenty-five, twenty, fifteen, and ten cents per one hundred pounds, on the four classes in both directions, less than to and from New York; and Philadelphia rates twenty, fifteen, ten, and five cents less.

By this struggle the New York roads lessened these differences to from eight to three cents at Baltimore westwardly and three cents eastwardly, and similarly from six to two cents at Philadelphia; based upon the fact that it mattered little to the public resident locally at each city if a difference of five cents per barrel in transportation rates for flour existed, particularly as rents, for example, at New York, are double those of Baltimore; but the controlling factor was the equalization of combined rail and ocean rates, between western points of production and European ports of consumption. In proximity to the average west, New York was at a disadvantage; in nearness to Europe at an advantage. Each city has harbor facilities on a practical parity, as they all have sufficient water for all vessels, and ice interruptions were for the ships, not railways, to adjust—and if New York harbor was more free from ice, it was an advantage that would secure business for it—and in bulk of traffic each trunk line carried nearly the same quantity. But New York City is upon an island, which is a disadvantage on western traffic, as it requires a river transfer *via* every trunk rail line but one, and this, added to its higher port charges and dock and other rents and expenses, creates an unavoidable terminal handling expense more than offsetting its advantages. This burden of transfer cost the railways pay alone, and the writer's proof before the investigating committee was

not even questioned, that the difference of this cost at New York over terminal railway cost at competing cities was more per 100 pounds than the differences in rates on grain and flour between the same cities, and more than equivalent to an average of one hundred miles of additional transportation by the New York roads; *e. g.*, the carrying rate to Jersey City was less than the gross rate to Philadelphia, and the same as to Baltimore; thus proving beyond intelligent doubt that the New York roads carry western products from 90 to 272 miles further for the same rates as those charged to and from Baltimore, and therefore receive less rates per ton per mile than similar western business to or from Philadelphia or Baltimore paid the trunk lines at those cities.

The other adopted differences in rates were also based on thorough prior reports obtained from all ports for that question, showing that the annual average ocean rates to and from those cities were as much higher as the inland rail rates were lower, making the sum of the rates through the different ports practically equal. This settlement was made in April, 1877, and to prove the error of Mr. Sterne's statement in this connection, the statistician of the New York Produce Exchange, summoned by the committee, showed that the increase in grain receipts at New York from 1876, the year of contest, to 1878, the year of peace, was 56,912,818 bushels, or about 60 per cent., while the increase at Baltimore was but 12,764,964 bushels, or about 40 per cent., and at Philadelphia was but 9,927,815 bushels, or about 27 per cent. Can disproof of the erroneous statements of wrongs produced by these rates be more complete?

In view of these and other indisputable facts, the bare and unsupported assertion that "New York City was arbitrarily placed upon a level with its less favored sister cities, so that the Erie might emerge from bankruptcy, and the New York Central be prevented from going into it," is wilfully or ignorantly incorrect, and has not now, nor did it ever have, any support but carping surmise.

And here it is well to note the covert communism, that the Erie Railway should have continued in bankruptcy and the

New York Central should have plunged into it, unless the wide questions at issue were adjusted to suit local standards, clamor and interested commercial pressures—or legislative thumb-screws—else why the suggestion? From our standpoint it was an imperative duty of the managers of the Erie and Central companies to extricate the one and prevent the other catastrophe by every honorable effort—a duty not only to their proprietors but to the public; and it is only necessary to ask what possible benefit could accrue to New York City today by the ruin and bankruptcy of the New York Central company—to have the enquiry answer itself. Those companies had clear legal and stronger equitable rights to save themselves even by absolute surrender; but the facts given above show how very much they accomplished to the contrary, and with what good results to New York.

Assuming, however, that the equality of ocean rates justified no differences in rates inland by rail between Baltimore and New York, no obligation has been shown to rest upon the New York railways that they shall alone lose all the reduction of revenue needful to carry for longer distances for the same money—a requirement without parallel in like traffics—as neutral western railways will not share the deficiency; and the most advanced advocates of the public highway and participation theories have never proposed that the same public shall share the positive losses incurred in greatly reduced rates made for its defence.

Having thus but briefly reviewed the general conditions involved, as well as a few local only to New York, it may be well to inquire what the course of the opponents of railway corporations apparently proceeds from :

First.—An assumed hostility between the public and their carriers.

Nothing can be more erroneous, for they are mutually dependent on each other. Rates made too high stop industrial development and railway earnings, and if fixed too low, they stimulate unnatural growth and over-production at the loss only of the carrier, whose bonds and shares lapse into default or bankruptcy until their rates are advanced to just standards,

when the trades founded on the lower rates first current are again restricted and injured, ill-feeling engendered, and a reflex railway and public injury done to both.

“It seems clearly to the interest of railway companies above and more than all other considerations that can influence them, to increase their resources by the largest possible amount of traffic, satisfying all, rather than by small tonnages moved at higher rates, dissatisfying all.”

Second.—The actual wrongs heretofore done the public by transporters, growing out of their various contests and causes, and the mistaken policies and anomalous conditions that preceded and followed them.

Happily, these are generally corrected on through traffic by the coöperative tonnage divisions, and the railways have voluntarily adopted and put in practice the principle of arbitration, which is the foundation of the English act of 1873, and intrusted its decisions to a board, consisting of Hon. Charles Francis Adams, Jr., Hon. David A. Wells, and John A. Wright; and with these great and accomplished benefits the former local discriminations compared with through rates have almost entirely ceased. Much remains to be done, but the proximities of rival States, the unrestricted carriers on the canals, rivers, lakes, and seas, and the difficulties of controlling them, conditions of local intricacy, and the far greater number of carriers to agree, render the local question the more difficult one to solve equitably.

It should not be denied by candid railway officers that—in opening eighty-five thousand miles of railway within fifty-five years, in three millions of square miles of territory, divided into forty-seven States and territories, having dissimilar legislation depending largely upon municipal, county, State and national causes, and controlled as to their rates by parallel, natural, or artificial waters—many abuses have crept into the schemes for their original construction and subsequent operation, for which the legislative bodies are in many instances equally responsible with railway constructors and managers.

The railways should therefore approach the question with the dignity befitting the subject, and the liberality of view which a

national question requires, rather than by the methods of the monopolist or the evasions of the pettifogger; and if the public meet them in like spirit, many solutions would be simplified.

Third.—The paternal theory of government—which is the modern but perverted conception of a republic—a theory which its believers invoke, whenever their individual enterprises miscarry, to adjust nearly all human questions, instead of depending upon conference, argument, justice, mutuality, and manhood.

Fourth.—The specious analogy of the “King’s highway.”

The highway view was first suggested by the Duke of Wellington in an early railway debate in Parliament, and in commenting upon it Mr. Charles Francis Adams, Jr., then the efficient chairman of the Massachusetts Railway Commission, said :

“The analogy was essentially a false one. In no respect did the railroad in reality resemble the highway any more than the corporation which owned it resembled the common carrier.

“Since 1872, even more than before that time, American legislation has been inspired by the theory that the railroad corporation is nothing but an overgrown common carrier, who has in some way got the monopoly of a highway, and being crazed by hidden and ill-gotten gains, has forgotten his proper place in life, of which he must forthwith be reminded through an exercise of political power. The old analogy suggested by the Duke of Wellington, as mischievous as it is false, still maintains a strong hold on the legislative mind and belittles a great question.”

Fifth.—The constant iteration of the error, that the subscription of public monies and the power of eminent domain, once given to railway builders, perpetuates legislative power to discriminate against railways as compared with its control over all other corporations, and to fix the charges of the railway, while it has no right or makes no attempt to touch those of the corporation manufacturing gas, although both may be similarly chartered or organized by the authority of the same power.

For monies contributed, the State received stock, and so put itself on a par and level with all other share-holders in that respect. The theory that the State can prefer itself by legislation,

dividends or otherwise, and that all share-holders must thereafter become subject to the small share-holding minority because the State is that share-holder and minority, is too radical for even sand-lot discussion. Fortunately the Supreme Court of the United States has, in the *Bank of the United States vs. the Planters' Bank* (9 Wheat., 904), decided the question as follows :

“ When a government becomes a partner in any trading company, it divests itself, so far as concerns the transactions of that company, of its sovereign character and takes that of a private citizen. * * * As a member of a corporation, a government never exercises its sovereignty.”

This fallacy being disproved, what is the power of eminent domain, the mere conferring of which is wise public policy and costs nothing, yet clothes the grantor with perpetual and arbitrary power over the persons chartered in such justice and right ?

Eminent domain is but a power delegated by a State to responsibly organized and chartered citizens to purchase from hostile or disagreeing persons needful rights of way for full compensations fixed by commissioners chosen from their fellow men. Otherwise, one man owning essential outlets could blackmail a national thoroughfare and destroy or prevent the completion of continental lines of railway. It gives the railroad nothing but a just right. The road has to pay for all the domain it so gets and usually at high prices, and the claim that simply because the State conferred upon it this essential authority to compel and do justice, the State itself may thereafter inflict and perpetuate injustice, is irrational and repugnant to all sense of right. As to the fact that such powers are given to corporations that are common carriers, little need be added.

Judge Shipman has truly and tersely said :

“ Corporations are practically nothing, except in the property they hold in trust.”

To claim that because railway companies are corporations the State can interfere with them, would be more just were the same ground assumed with all corporations organized under its laws ; but it does not so interfere with the charges or

discriminations of bank, insurance, canal, bridge, turnpike or manufacturing companies chartered by it, some of whom also exercise eminent domain. Why, therefore, as corporations, single out only the charges of railways for legislative regulation?

The Supreme Court has further said :

“ This (railroad) company *in the transaction of its business* has the same rights, and is subject to the same control, as private individuals under the same circumstances.”

The right is therefore derived mainly from their semi-public status as common carriers for hire under the terms of their charter powers, concerning which Judge Shipman says : “ In the exercise of which they are no more and no less amenable to State supervision than private persons exercising the same functions are or may be, except when their charters otherwise provide.”

What are those charter and general rights?

The New York and Erie Railroad Company was chartered April 24th, 1832, its original and present powers as to rates being as follows :

Section 14th.—“ It shall be lawful for the company hereby incorporated from time to time to fix, regulate and receive the tolls and charges by them to be received for the transportation of property or persons.”

The general railroad act of New York of 1850, founded upon the English and German precedents already cited, says :

“ The same shall not *without the consent of the corporation* be so reduced as to produce with said profits less than ten per cent. per annum on the capital actually expended,”

which by the same law was to be determined by an investigation by the State comptroller, engineer and surveyor.

No such examination has been made or proposed in New York, yet the agitators who urge, and the State committee which has just reported, propose enactments which may violate this contracted faith of a State, written over its great seal and the signatures of its officers, although the provocation is found only in exception to well-established rules of action and equity. But the review under consideration says in effect :

“The State blundered in its early legislation, and we, its abler men, must correct those blunders.”

It is impossible to suppose, in a country which possesses such vast geographical area, and more complications produced by lakes, rivers, canals and territorial divisions than all England, France and Germany combined, that all these questions can even now be intelligently and immediately determined, by the State, and that, too, in the absence of the impartial national investigation which the railways ask.

It is no less unjust to assume, throughout this great domain, which has developed in every industry with a rapidity unknown in the previous trade annals of the world, and where railroads have preceded as often as followed civilization, that the railway problem could have been any more intelligently forecast by its first legislators or railway solicitors, than that all its past irregularities can now be harmonized by speedy and universal legislation.

So far as the earlier legislators were influenced by improper motives or inadequate knowledge, their action constituted, in every high sense of public faith, agreements with the railroad companies, which the public, having agreed to by their duly elected and authorized representatives, should manfully bear, rather than seek to restrict or annul their obligations by crippling the resources of those who acted upon that faith; but unfortunately the universality of the punishments or rewards of our ballot weakens the sense and lowers the standard of such public obligations.

In the higher view of the case adopted by England, and referred to by its Lord Chief-Justice as already cited, it matters little what earlier railway conditions our different States conceded or withheld, so long as our railroad pioneers, having the signatures of their governors and comptrollers sealed by their States, placed their fortunes and labors at the disposal of the communities in which they invested their capital, in results then problematical.

It matters equally little what conditions of purchase of railway lines by the States were originally provided or subsequently repealed, and the entire retrospect as to their policies

in these respects has small value, except from its proof that in New York railways were subordinated to the public enterprise in the Erie Canal, and that for a long time, instead of aiding railway companies in the transportation of freight and thus encouraging the now much-lauded and surely legitimate competition with the canal, the State stifled and prevented that competition by requiring parallel railway carriers to pay to it the tolls charged upon the Erie Canal, thus clearly advancing the railway rates, although that canal never carried one ton of the freight unjustly so taxed to sustain the State monopoly. To a fair mind this seems a policy more like that of the highway barons of the feudal ages, than one to be now applauded as that of intelligent citizens of a State which has the magnitude of an empire; and it is perhaps from this precedent that the highway theory of the reviewer had its origin.

That the early officials of the State of New York misconceived the scope and functions of a railway is not a fact which should require the railways to now correct all the evils incorporated in the legislation of the State as well as their own; but, upon every conceded and established principle of fair dealing between men, the parties to a contract are severally responsible for their judgments and agreements as expressed therein, even though they may have neglected or misstated their several interests and safeguards.

These ordinarily binding obligations, the modern transportation reformer nevertheless regards as valueless, if the shifting conditions of the public pulse indicate diseases requiring the remedies of nullification or abridgment; and it is this mixed theory of public power, and not the nobler one of public fulfilment, which is appealed to by every transportation juggler who assumes a knowledge of the great problem.

To aid the accouchement of this new-born idea of roving public rights on a free highway, comes a critic who says: "The sea is the highway of nations, and all people of the earth are free to put their ships thereon, and this highway is policed for the benefit of them all by the powerful navies of the earth." He omits, however, to complete the

parallel, which is, that upon this free highway all carriers sailing under the flags of all nations and protected by their legislation, treaties and power, are not only free to make the varying rates and discriminations, however frequent or variable or preferential, which are so much deprecated upon railways, but there is absolutely upon no sea or ocean of the globe, the slightest wish or power to prevent changes of rates as frequent as the caprices or interests of the carriers or the sailings of ships dictate; and interference with such caprice, preference or interest would be promptly followed by the national arm to protect, if need be, variations identical with those which, in the railway case, a State and a nation are invoked to prevent.

Otherwise, why did not England require in the charters or articles of the Inman and Cunard steamship companies, that they charge the same rates to all on the same dates and ships, and if the ocean highway simile is worth anything and ships are left free, why should not the railways be alike free? The steamship lines are also in an agreement as to rates westward, called the "North Atlantic Steam Conference," similar in many particulars to the Executive Committee of American Railways; yet our pseudo-transportation luminaries do not insist that England or the United States should for that or any other reason of equity or parity, singly or by treaty, regulate their rates.

If it was a public misconception that the various railways traversing a country would produce a competition as varied as that of vessels navigating an ocean, and corporate powers were given to them based upon that public error, it is a fact which, in all phases of human justice, it should require the assent of both original parties to change, the original conditions being alike voluntary or agreed with both.

While yet quoting dissimilar English railway precedents to enforce the necessity for American railway commissions, it also seems to have singularly escaped Mr. Sterne that the "Railway Clauses Consolidation Act" of 1845, and the "Railway and Canal Traffic Act" of 1854, both authorized and empowered actual or constructive consolidations and pools; and that the evils so luridly painted for our shippers as arising

from similar traffic adjustments are more than twenty-five years old in England, where they have produced only the best railway and commercial results, and have not created but abridged those apocryphal powers behind and superior to thrones and governments which here disturb his dreams.

No less a publicist and statesman than William Ewart Gladstone made an award on the 22d of April, 1857, under the authority of parliamentary acts, by which traffic disputes, then pending between the Great Northern, the London and North-Western, the Midland, and the Manchester, Sheffield and Lincolnshire railway companies were determined for a period of fourteen years from March 1st, 1858; in which award, covering both passenger and goods traffics, he made positive and unconditional apportionments of traffic revenues to each of those companies between London and fifteen of the most important cities upon and reached by their systems; and which, by a coincidence, is about the same number of railway tonnage apportionments now existing in the United States to and from New York, under the authority of the trunk lines and their connections.

It is also a fact to justify comment that the reviewer commends to American legislatures only the restrictive measures of the English Government without conceding to our railways like and acknowledged parliamentary latitude in management and rates; and that, while luridly picturing the terrible American railway devil-fish of combination, with tentacles clasp and exhausting the commercial strength of the country—which its present prosperity however flatly contradicts—he omits to show that the basis and strength of English railway legislation is a consolidated railway monopoly power authorized by Parliament in the Clearing-House, whose mere shadow here frightens these railway publicists.

Mr. Pease, then a member of Parliament, said before Mr. Fortescue's committee in 1872: "I do not think that at this moment there is a competitive rate existing in the kingdom." Yet neither the report of 1872 nor the act of July, 1873, so much lauded by the reviewer, sought to change the monopoly condition which had certainly existed since previous to 1850;

for the parliamentary act of June 25th, 1850, confirming prior clearing-house or pool powers, recited as follows:

*"Whereas, For sometime past arrangements have subsisted between several railway companies for the transmission, without interruption of the through traffic * * * with the same or like facilities as if such lines had belonged to one company, which arrangements are commonly known as * * * 'The Clearing System,' * * * and whereas the clearing system has been productive of great convenience to the public,"* etc.

Even had American railways the natural power or this legislative sanction to combine "as if such lines belonged to one company," they could not sustain the rates authorized and charged in England, France or Germany; and the incantations invoked to frighten us with added visions of exorbitant rates enforced by imperial power are like all ghosts, mere reflected disorders.

Upon this subject, Commissioner Fink has cogently written:

"The competitive railroad tariffs for interstate commerce are not, as is so generally supposed, under the absolute control of railroad managers; but the carriers by the water routes really establish these tariffs, and the railroad managers have nothing to do but to conform to them."

"The water routes not only control the tariffs of their immediate rail competitors, at points where they can render like service to the same people, but their influence reaches, directly and indirectly, to the remotest parts of the country. Compared with this natural powerful regulator of railroad transportation tariffs, the efforts of State or congressional legislation to prevent extortionate charges appear to those who are fully conversant with the subject as perfectly useless; and the declamations against the baneful effect of the so-called railroad combinations appear simply as idle talk."

This is legitimate, controlling and perpetual competition, which the reviewer does not, however, distinguish from that wasteful, injurious and most foolish strife, which demoralizes and injures proper mercantile as well as railway methods and returns. Within the limits enforced by nature in this unalterable competition, the tonnage divisions of the railways cannot operate to do more than maintain just through rates, high enough to be only fair rewards for important and

essential services rendered, while avoiding local discriminations by comparison, and at standards for the former which can be as well and perhaps better maintained upon good faith when that is once firmly established, than by English, French or German law, or by tonnage pools, and at much lower charges to our people than in those countries.

Those therefore who don black and breathe woe because senseless and ruinous traffic contests are no more, should take heart again when told that the tides of the seas, the currents of rivers, the swells of lakes, the waters of canals and the rivalry of adjacent nations, still enforce transportation conditions upon American railways which nature never will suspend, all of which restrict in this country, more than in any and all others, the powers and charges of its artificial corporate carriers ; and that those causes alone will vanquish the transportation ogres whom we are told in this fairy tale are, or are to be, greater than the Government.

The Prussian gentleman quoted to sustain the caveated idea of *imperium in imperio*, in the statement that the great (parallel) lines of the country will, in the "opinion of those most familiar with the subject," probably consolidate, and that "a railroad director may make himself the absolute ruler of a republic," is, in view of these facts, of a nature with other attempts to influence the voter ; but it proves the sources of Dr. Von Der Leyen's information to be identical with the critic's, and his ignorance as to our form of government, the temper of our people, the rival interests of States, and various and irrevocable transportation conditions classes such predictions with the foretellings of cheap clairvoyants.

To endorse such vagaries as a clear statement of probable conditions, and proceed to argue upon them an imperial future in which class rights may rise in a republic under a railway mantle, is to dwarf a subject for giants. It is high time for the general public of the country to realize that their fears are being purposely and needlessly stimulated by the personal ambitions, misleading logic, the misconceived similes, and the false statements of those to whom a railway problem is as hasheesh.

G. R. BLANCHARD.

THE
National Quarterly Review.

TWENTY-FIRST YEAR.

A SCIENTIFIC, LITERARY AND CRITICAL JOURNAL; EACH NUMBER
CONTAINING 240 PAGES; PUBLISHED IN JANUARY,
APRIL, JULY AND OCTOBER.

DAVID A. GORTON, M. D.

AND

CHARLES H. WOODMAN,

EDITORS.

WITH the *Twenty-first year* of its existence, the NATIONAL QUARTERLY REVIEW enters upon a new career of prosperity and usefulness. Such changes have occurred in the Proprietorship and Business Management of the WORK as will enable the Editors to place before a far wider circle of readers than heretofore the best efforts, in the most important departments of learning, of the most authoritative writers—Scientists, Scholars, Statesmen, Jurists, and Critics. While great names are often represented in the REVIEW, the mere eminence of a name is not permitted to influence the choice of contributions. On the contrary, it is the aim of the Editors to seek for writers whose natural abilities, training and experience render them trustworthy authorities on the questions which they may discuss, and to accept or reject articles according to their suitableness or unsuitableness.

The engagements of the REVIEW for the present year include contributions from thoroughly trained specialists in the various branches of learning, and from many who are leaders of public opinion, both in America and in Europe. Hereafter, the names of contributors will generally appear with the essays.

Feeling the necessity of more space in which to treat questions of weight and importance, and to deal more exhaustively

with current literature, the Editors have permanently increased the size of the REVIEW by thirty-two pages, making it two hundred and forty octavo pages instead, as heretofore, of two hundred and eight. No outlay will be spared, either of editorial labor or of business management, to increase the moral and intellectual standard of the WORK, extend the circle of its influence, and enhance the beauty of its pages.

A fitting opportunity is thus afforded to state once more the principles, policy, and objects of the WORK :

The REVIEW is independent in all things and neutral in nothing.

It is the organ of no man, sect, or party.

It is the exponent of no exclusive system, school, or philosophy.

It is the friend of no exclusive interests, caste, or class.

On the contrary, its pages are kept above the suspicion of unworthy motives, sectarian prejudice, and partisan bias.

It is an advocate of free speech, free institutions, free criticism and good scholarship.

While thoroughly national in its character, it is animated by cosmopolitan sentiment ; preferring to labor more for that which is ethically true, and therefore permanent, than for that which is merely politic or expedient, and therefore transient.

Its pages are open impartially to the discussion of both sides of all questions, by writers of every diversity of opinion, subject only to the requirements of historic and scientific truth and the rules of liberal controversy.

Its topics embrace general literature ; reviews and criticisms ; expositions of Science ; Philosophy, History, and Biography ; the ancient and modern Classics ; Belles-lettres, Politics, Ethics, Political Economy ; Public Men and Public Measures, etc., etc.

It is thus apparent that the NATIONAL QUARTERLY REVIEW possesses many features which especially commend it to people of culture and liberal ideas.

Clergymen and **Educators** will derive invaluable assistance from its articles on the relations of science and religion ; its discussions of ethical, metaphysical and theological questions ; its papers on education—physical and mental training, the natural sciences and the classics ; its essays in criticism, philology and kindred branches ; and especially from its articles on the relations of body and mind, the influence of disease on the judgments,—the discussion of which has long been a noteworthy feature of the REVIEW.

Physicians will find those great problems which affect moral, social, and political life, treated by specialists with a breadth of view, an affluence of scholarship and literary excellence seldom displayed in journals strictly professional.

Jurists and **Lawyers** have always been liberally represented in the REVIEW, which will continue to offer elaborate and exhaustive papers on jurisprudence, and the legal aspect of the various questions which agitate the times.

Statesmen and **Legislators** are particularly appealed to by the character of the REVIEW. It has ever been largely devoted to the consideration of great national, international, and interstate problems, which have been so treated as to win for the REVIEW an enviable reputation for accurate knowledge, sound principles, and dispassionate utterance. During the present year—the year of the Presidential Election—the REVIEW will contain stirring articles on American politics by the most prominent men of all parties.

Financiers, **Manufacturers** and **Merchants** have widely acknowledged their indebtedness to the REVIEW for its able presentation of matters relating to their interests. The various theories of political economy and of finance, the relations of capital and labor, the conduct of great enterprises, and the condition and needs of the working-classes will continue to be amply discussed by writers competent to deal with them.

Finally, the NATIONAL QUARTERLY REVIEW will be found indispensable to **American Libraries** and **Reading Rooms**. The Librarians and Managers of these institutions are respectfully invited to coöperate with the Managers and Editors of the REVIEW in placing the WORK on their tables and before the reading public. To this end *sample copies* will be furnished FREE on application.

TERMS:

\$4.00 per Year. \$1.00 Single Number.

PAYABLE IN ADVANCE.

THE NATIONAL QUARTERLY REVIEW,

13 and 15 Park Row,

NEW YORK.

